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ABSTRACT

The merits of providing more loan opportunities to parents and students and the implications of this growing reliance on borrowing are considered. The objective is to clarify the alternative federal aid approaches that will be discussed as part of the reauthorization of the Higher Education Act. Federally-sponsored loan programs include Guaranteed Student Loans, National Direct Student Loans, and Parent Loans for Undergraduate Students (PLUS). Some states also offer supplemental student loans for students attending high-cost schools. Lending programs, which are generally viewed favorably from a political point of view, are a cost-effective means of providing aid. Several recent proposals submitted to Congress would center all student financial aid in credit programs. These programs would require students to repay all of the money received at a rate compatible with their earnings once they leave school. Others would serve as supplements to existing financial aid programs in order to serve middle-income families that do not normally qualify for federal grant aid. Concern has been raised that students are already assuming too much debt, which may detrimentally affect the national economy as well as the economic viability of the student after graduation. An overall program of student grants, work, and loans is advocated. (SW)

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STUDENT AND PARENT LOANS: A GROWING RELIANCE

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Funding for this project provided by the Exxon Education Foundation

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Elaine El-Khawas
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EVALUATING STUDENT AID OPTIONS

ALTERNATIVES FOR FEDERAL INVOLVEMENT

As the level of debate on the upcoming reauthorization of the Higher Education Act intensifies, members of Congress, the Administration, and others can be expected to propose a wide variety of alternatives to the current array of federal aid programs. These proposals may be global in nature, or they may address specific components of the law or individual sectors of postsecondary education.

Reauthorization provides an excellent opportunity to review the effectiveness of the existing student aid programs and to devise new solutions to the problems of financing postsecondary education. Historically, each time the Higher Education Act has been reauthorized, the federal commitment to the student financial assistance effort has been renewed and strengthened. The Education Amendments of 1972 and 1976 were marked by the inauguration of new, innovative, and expanded programs to assist students; the Pell, Campus-Based, and State Student Incentive Grant programs were created in this manner. In 1980, Congress concentrated on building upon these earlier foundations; authorization levels were raised, the congressional role in the delivery of student aid was enhanced, and eligibility criteria were reevaluated. Once again, in the coming months, Congress must grapple with the question of how best to structure the federal role in providing assistance to postsecondary students.

This year, more than in past reauthorizations, Congress may look to research evidence to support certain proposals or to identify areas in need of attention. When Congress authorized the National Commission on Student Financial Assistance as part of the last reauthorization, it was trying to close what it viewed as an information gap between policymakers and the programs.

The National Commission produced nine reports and forty papers and provided information covering many of the most crucial questions concerning the national program of student financial assistance. The Commission also may have had one unintended effect; it raised the consciousness of many persons involved in the current reauthorization regarding the ability to use research as the basis for policy. The use of research to develop positions or to prove or disprove certain assumptions is not new, but it has never been used as extensively by policymakers and lobbyists as it is today.

Evaluating Student Aid Alternatives

Since the beginning of the current federal commitment to assist students in financing their post-secondary education, there have been a great many changes in the federal programs. Some of these have taken the form of vast new programs that radically alter the aid structure while others have represented little more than fine tuning of the existing system in order to improve its efficiency or effectiveness. Certain concepts consistently must be considered in evaluating the potential value of these changes as well as their future success or failure.

Most federal student aid is embodied in Title IV of the Higher Education Act of 1965 as amended. Title IV programs, which are the most costly and serve the most students, are the focus of the current reauthorization debate.

Proposals to add new student aid programs, to eliminate others, or to revamp the federal role can all be judged in a similar fashion to determine their feasibility and desirability. Such proposals should undergo three levels of scrutiny before they are either endorsed or written off:

The merits of the proposals must be carefully reviewed and the goals clearly defined.

Those who would benefit (and those who would not) should be specifically identified.

The ability of the proposals to blend in with existing programs and policies needs to be examined closely.

By acknowledging all of these levels of scrutiny, we can be in a better position to react to the many proposals that will be considered in the upcoming months. Additionally, by using these criteria as proposals are being developed, there is a greater chance to arrive at solutions that are grounded in fact, rather than assumption, and that are more likely to be perceived as reasonable, thoughtful, and able to achieve their intended purpose.

Students are borrowing more than ever before to help meet the costs of postsecondary attendance. The federal government provides more loan money to students and parents than any other source. Guaranteed Student Loans, National Direct Student Loans, and PLUS loans currently provide nearly eight billion dollars in credit annually. Do we need more loan programs, and should they be subsidized by the federal government? This paper examines the merits of providing more loan opportunities to parents and students and the implications of this growing reliance on borrowing.

It is our hope that this paper and the others in this series will add to the body of knowledge on the federal role in aiding postsecondary students and that they will provide a framework for discussing, assessing, and judging the

myriad of proposals that will be put before Congress and the community as part of the reauthorization exercise.

STUDENT AND PARENT LOANS: A GROWING RELIANCE

Introduction

Making loans available to students and families trying to meet the costs of postsecondary learning is an integral component of the federal government's role in providing student financial assistance. The National Defense Education Act of 1958, which set the stage for current federal student aid programs, authorized the awarding of capital to postsecondary institutions so that they could make low-interest loans available to students. The Federally Insured Student Loan Program was embodied as part of the first Higher Education Act, adopted in 1965, in order to provide needy students with federally subsidized educational credit. In recent years, the Guaranteed Student Loan (GSL) program has grown to become the largest of the federal aid programs in terms of cost and the number of students it serves.

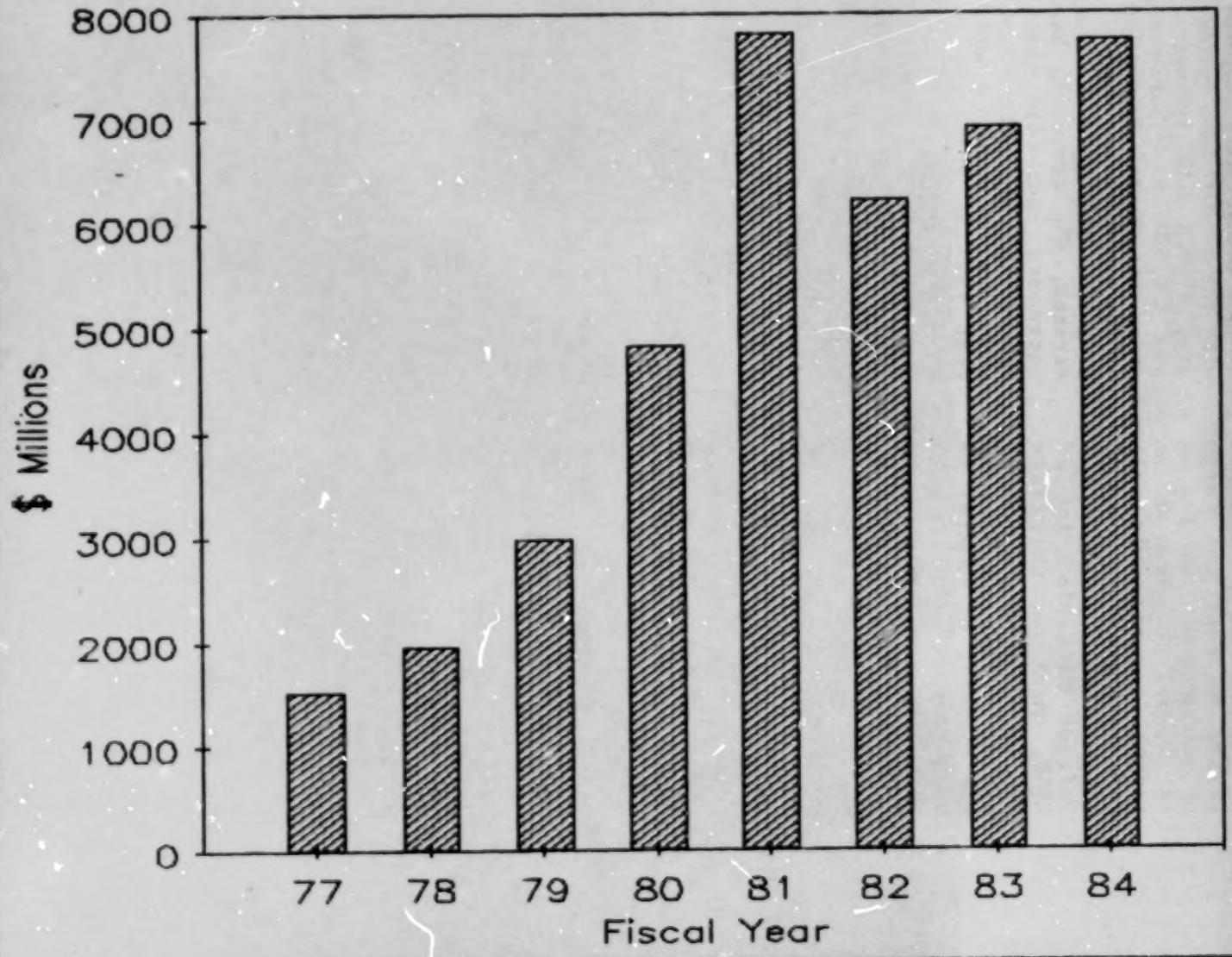
Current Federal Credit Programs

The federal government operates several programs designed to provide access to educational credit. These include the GSL program, the National Direct Student Loan (NDSL) program, the Parent Loans for Undergraduate Students (PLUS) program, and several loan programs serving students in the health professions. By far, the GSL program is the largest of the federal loan programs. In the 1983 fiscal year, over 2.8 million students borrowed more than $6 billion in Guaranteed Student Loans. This compares with the 845,000 NDSL borrowers, 95,000 PLUS borrowers, and 23,000 who borrowed under the Health Education Assistance Loan (HEAL) program. As figure 1 illustrates, GSL borrowing has increased four-fold since 1977. While borrowing slowed after Congress imposed a needs test for GSL borrowers in 1982, it has once again begun to climb at a rapid pace. In 1984, GSL lending reached an all-time high; nearly 3.5 million students borrowed $7.9 billion.

The issues surrounding educational credit are complex and confusing. The true costs of credit programs are not always apparent due to the existence of lender subsidies and the expectation of borrower repayment. Additionally, questions concerning the sources of loan dollars, the criteria for loan eligibility, and the effects of credit on consumer behavior must be considered in developing credit policies.

Student and parent loan programs currently comprise a major portion of the federal student assistance effort. In fact, many families receive the majority of their financial assistance in the form of loans. The federal limits on the amount of individual loans far outstrip the level of awards in other student

Figure 1: Dollar Volume of Guaranteed Student Loan Borrowing, 1977-1984



Source: U.S. Department of Education

aid programs. Under GSL alone, undergraduates can borrow up to $2,500 per year and graduate students up to $5,000. Add to this a potential $3,000 that can be received through the PLUS program and it is easy to see why loans often make up the bulk of aid received by students. This is especially true for middle-income students or those who do not have enough financial need to qualify for Pell Grants or federal Campus-Based programs.

Other Credit Vehicles

In addition to the federally sponsored loan programs, families and students employ a number of other methods to secure educational credit. The amount and type of credit available to an individual family varies depending on their state of residence, the college attended, and the family's financial condition. Usually, credit obtained through nonfederal sources is not as attractive or cheap as that offered through federal programs -- interest rates are generally higher, repayment periods may be shorter, and there is typically no deferral of payment or interest while the student is in school.

Several states, postsecondary institutions, and groups of colleges have initiated supplemental student loan programs over the last few years. These programs are generally designed to provide loans to students attending high-cost schools. Plans of this sort, such as the one recently begun in Illinois, typically involve the raising of capital through the use of tax-exempt revenue bonds. Loans are then made to students and families at or just under market interest rates. Under these types of programs, schools employ their endowments or other assets as collateral against the bond issues. Institutions participating in these programs expect to repay bondholders through the collection of interest on these loans and to recycle payments on loan principal into future lending. Proponents of these lending programs believe that they are important tools in assisting middle- and upper-income families to meet the high cost of private higher education.

Families also have a number of traditional lending options available to them. Those families with secure financial situations can avail themselves of the services of their local banker to obtain credit to cover postsecondary expenses. The ability of families to qualify for and meet the repayment obligations of traditional loans varies according to individual characteristics and the policies of lenders.

In general, students are almost totally unable to participate in traditional lending. With no credit histories, little or no assets to attach, and no current sources of income that will enable them to meet monthly payments, the vast majority of students have no access to credit outside of specific financial aid programs.

Defining the Need for Credit

It is very difficult to accurately estimate the national need for additional loan opportunities. Certainly, there is a gap between available sources of public financing and the cost of postsecondary attendance. There is a prevailing view that middle-income families may be especially affected by this gap and that, therefore, they are in the most need of new assistance. In 1978, Congress reacted to the perceived plight of middle-income families by removing all income restrictions on eligibility for subsidized Guaranteed Student Loans. At the same time, the supply of GSL capital was greatly enhanced by the lifting of limits on the level of subsidy the federal government pays private lenders that issue Guaranteed Student Loans (the Special Allowance). In 1981, concerned over the effects of these actions and prompted by reports of higher-income families taking advantage of the GSL program, Congress reimposed income eligibility restrictions on the program. Thus, GSL lending is once again targeted towards needy students.

The response to this temporary easing of restrictions on GSL lending provides evidence of the desire among parents and students to secure educational credit. While there may have been some exceptions, the bulk of those who received GSLs used them as a supply of available cash with which to meet college costs. Many families, although they may seem sufficiently well-off on paper, do not have ready access to the thousands of dollars needed to pay for a college student's tuition, fees, books, room and board, transportation, and other expenses over one, two, four, or more years. This need is even more acute for graduate and professional students whose costs are higher and who have already faced at least four years of college expenses.

Why Credit?

For a variety of reasons, lending plans have been viewed by many in Congress and within the postsecondary education community as the best means for providing additional assistance to students and families. Lending is generally a cost-effective means of providing aid. One expects that the money lent will be paid back and that the interest tacked onto the original principal will assure that the costs of acquiring loan capital are covered for the lender. In theory, nonsubsidized loan programs -- where borrowers pay interest at least equal to the lender's costs of funds — are self-sufficient and have little real cost over time.

Even subsidized loan programs are a cost-effective way to provide aid to students and families. The National Commission on Student Financial Assistance found that the highly subsidized GSL program provides significant returns for the dollar invested. According to the National Commission,

Because a loan program provides leverage (for example, more than one dollar of capital is generated for each federal dollar spent), it delivers more capital to students than would a grant program. There is no doubt that the GSL program provides more total student loan capital than would a grant program with equal annual outlays.[1]

The Commission concluded that for every one dollar of federal funds invested, the GSL program generates approximately two dollars of student assistance.[2]

Lending programs are also viewed favorably from a political perspective. The fact that those who are provided capital are expected to repay their obligations, rather than being given a free ride, is in line with the prevailing sentiment during times of tight budgets. Also, loans are part of the self-help concept, whereby students and their families are contributing to their education by incurring the future obligation to repay loan funds.

Recent Proposals

Numerous proposals to expand or revise the federal role in providing educational credit have been advanced by members of Congress, college presidents, and others. Some of these proposals have been designed to replace the current federal grant and loan programs, while others are intended as supplements to existing efforts. Congress is sure to consider or be urged to consider a great many ideas for federal involvement in making loans to students as it deliberates on the reauthorization of the Higher Education Act. Among the proposals for expanding the availability of educational credit are the following:

The Income-Dependent Education Assistance Act (IDEA), introduced in Congress by Rep. Thomas E. Petri (R-Wis.). Under this proposal, students would be eligible to borrow up to $10,000 per year to meet college costs. Interest would be charged based on the rate of United States Treasury bills up to a maximum of 14 percent. Repayment schedules would be calculated annually based on the borrower's income and could last up to thirty years. The IDEA program would not require a needs test for students and would be financed through federally guaranteed, taxable bonds issued by guaranty agencies. The Internal Revenue Service would be the collector of loan repayments under the IDEA plan.

A single subsidized need-based program has been proposed by Dr. Bruce Johnstone, president of the State University of New York at Buffalo. Dr. Johnstone proposes that all students' needs for undergraduate, graduate, and professional education be met through long-term, below market-rate loans. Repayment schedules under this proposal would be determined by the amount borrowed, and a maximum

percentage of annual income to be devoted to repayment would be established. Dr. Johnstone's proposal also calls for a supplemental loan program for parents who need funds over and above their calculated need. These loans would not be subsidized, but rather would be federally guaranteed and issued by private lenders.

John Silber, the president of Boston University, has proposed a Tuition Advance Fund (TAF) in order to cover college expenses. Students could borrow up to $7,000 per year under the TAF plan and would repay through a payroll withholding tax administered by the IRS. Students would be required to pay back one and one-half times the amount borrowed but would not be required to make payments if their income fell below $10,000.

Other loan proposals involve securing private sector guarantees for privately financed supplemental loans; making repayment obligations contingent on the income earned by borrowers after they leave school; creating new forms of bonds or securities instruments to finance federally guaranteed loans; and establishing a national loan bank.

Additionally, several members of Congress and the higher education community have advocated raising the annual and cumulative maximums for GSL borrowing. They argue that the current $2,500 annual limit is unrealistic given the increases in educational costs that have occurred since the maximum was last raised. In 1977-78, for example, a $2,500 Guaranteed Student Loan covered almost half of the average cost of attendance at a private university, while in 1982-83 the same amount represented less than 30 percent of costs.[3] If current trends continue, less than one-fourth of the costs for an undergraduate at a private university in 1985 will be met through a $2,500 GSL. This foreshadows a serious shortfall in aid resources, especially for those who do not qualify for Pell Grants or Campus-Based aid.

Parent Borrowing

While extending educational credit to students is an idea that many view with caution, the concept of providing lending opportunities to parents is a more attractive notion. As part of the 1980 reauthorization of the Higher Education Act, Congress created a new program to provide subsidized loans to the parents of dependent postsecondary students. The PLUS program offers below market-rate loans (currently at 12 percent interest) of up to $3,000 made available through private lenders. While the interest rate on these loans is subsidized by the federal government, there is no in-school interest subsidy and repayment commences 60 days after the loan is issued. Credit checks are routinely performed on parents applying for these loans to ensure that they can meet this immediate repayment require-

ment. The PLUS program also serves graduate students and self-supporting undergraduates who may be eligible for deferral of their payments on the loan principal while they are enrolled in school.

The original goal of this program was to extend more credit opportunities to the parents of dependent students and to provide parents with a vehicle to assist them in obtaining their contribution to their children's education. For a variety of reasons, though, the PLUS program has not lived up to its expectations. Lenders have not been quick to offer or advertise the availability of PLUS loans due in part to the lower level of federal subsidy and the immediate repayment requirement, which, according to the lenders, makes these loans more expensive to service. In fiscal year 1983, approximately 56,000 parents borrowed $147 million under the PLUS program, an average of over $2,600 per loan. Although the amount of borrowing seems small, especially when compared to the GSL program, the principle of providing access to subsidized credit to parents as well as students is an important one, especially in light of the increased pressure on parents to meet the rising costs at postsecondary schools.

Recent proposals to modify the PLUS program have concentrated on limiting the federal cost for these loans. In 1984, Rep. Paul Simon (D-Ill.) proposed, as part of his reauthorization package, a nonsubsidized, but guaranteed, PLUS loan program. While parents would be expected to bear market-rate interest on these loans, they would be afforded access to this form of credit because of the federal government's guarantee to the lender against default. In this manner, access to credit would be enhanced, but federal costs would be held to a minimum.

The expansion of credit for parents does not raise the same types of questions and concerns that are common to student borrowing. The assumption is that parents are better able to make informed decisions on whether to borrow and can manage their repayment obligations more effectively than students. Generally, parents participate in the PLUS program by choice, because they have weighed their financing options and elected to borrow through this program. Although it is not the only option available to most parents, it provides a viable alternative to securing a second mortgage or liquidating assets.

A Growing Reliance on Loans

Postsecondary students and families increasingly are turning to loans as a source of financing. It is estimated that in 1983-84, Guaranteed Student Loans represented nearly 43 percent of the total amount of financial aid received by postsecondary students.[4] With this increased borrowing have come significant increases in the indebtedness of students

and families. Although the availability of more loans has enhanced the ability of many students to begin and continue their postsecondary education, the resulting levels of debt are of great concern to students, parents, and policymakers.

A recent study of graduate student borrowing in Pennsylvania indicated that average levels of indebtedness are rising at an alarming rate. The average total indebtedness (both graduate and undergraduate) for graduate and professional students in Pennsylvania borrowing under the GSL program rose from $4,882 in 1977 to $10,244 in 1983.[5]

Through a recent national survey of student aid recipients, ACE and several associations of public and independent colleges have gathered additional evidence of the growing reliance on student loans.[6]

In the 1981-82 academic year, approximately 20 percent of an undergraduate dependent student aid recipient's education at a public or independent college was paid for with loans; in 1983-84, that figure had risen to 23 percent on average.[7] At independent colleges, the proportion of undergraduate dependent aid recipients who secured GSLs increased from 24 percent in 1979-80 to 53 percent in 1983-84.[8] In both the public and independent sectors, it appears that low-income students are taking out student loans in greater numbers than ever before.

For graduate students, the reliance on loans is even more evident. Since graduate students are not eligible for most federal and state grant assistance, they have little choice but to turn to the federal loan programs for support. In 1983-84, 68 percent of the graduate aid recipients at independent colleges obtained GSLs, averaging over $4,500. Graduate aid recipients at public colleges utilized the GSL program at an even higher rate that year; 86 percent of them took out GSLs for an average of more than $3,800 apiece.[9]

Implications of Increased Debt

The implications of this increasing dependence on loans reach beyond the individual student and into the realm of national economic health. David Irwin, executive vice president of Washington (state) Friends of Higher Education and a member of the National Commission on Student Financial Assistance, has often expressed a concern that increasing levels of student debt may come back to haunt the nation. During the Commission's deliberations, Mr. Irwin observed that students leaving school with substantial repayment obligations might be reluctant to purchase automobiles, homes, and other major consumer items that fuel the American economy. The prospect of increasing their monthly obligations to such a degree might be simply unfeasible. For graduates contemplating

marriage, a new form of "negative dowry" has been introduced into the picture; it is an unpleasant fact of life in the 1980s that quite a few young families must begin life with a combined indebtedness that approaches the level of their annual income.

Once they leave school, students who have relied on credit to finance their education are faced with the challenge of meeting their repayment obligations. GSL borrowers may face monthly payments four or five times greater than the $50 per month minimum payment. The implications of these repayment obligations on students' career choices have also been a subject of concern within the postsecondary community. The fear is that students with substantial repayment commitments are dissuaded from entering professions or organizations that are traditionally low-paying. Concern was expressed at several National Commission hearings that many employers, including colleges and universities, are not able to compete effectively with business and industry in recruiting talented students. Similar problems in recruiting graduates may also be encountered by other non-profit groups and by public agencies.

Proper Role for Educational Credit

The amount of financial assistance available to students has failed to keep pace with rises in postsecondary costs. The National Commission and ACE have noted that inflation has seriously eroded the buying power of student financial assistance, especially grant aid. This has put more pressure on students and families to use alternative means to help them pay for postsecondary schooling. Partly in response to this rising demand, more credit is available to students and parents today from a wider variety of sources than ever before. And still there are calls for more educational credit.

There is no denying the need for supplemental sources of student assistance. Evidence of unmet need among students from all levels of income, the number of new, innovative plans to assist families in meeting college costs, and steady rises in tuition charges and living costs all speak to this need. There is, however, no general consensus on the most appropriate manner in which to address this need. Perhaps the reason that expanding credit has become such a popular solution for meeting this need is that lending programs can take many forms, the money can be raised through a variety of sources (such as tax-exempt bonds and private lending institutions), and the amount of money lent can far exceed the amount of capital invested. Public policymakers today are faced with the issue of whether now is the time to continue this course, move towards an even greater reliance on credit by shifting funds away from other student

aid programs, or apply the brakes on the expansion of credit and further investigate the ramifications of our present route.

Some of the problems in arriving at any general solution to financing postsecondary costs are the wide variety of students, academic pursuits, and potential outcomes of each student's postsecondary education. A heavy reliance on credit can be devastating for students who do not complete their academic careers or who cannot locate the type of work or income they expected upon graduation. The variation in starting salaries among different occupations, employment sectors, and regions means that similar levels of debt can result in greatly unequal burdens for those entering repayment. Families too can find that the circumstances they envisioned when they secured educational credit have not materialized and they therefore face a burden greater than they anticipated at the time of borrowing.

The above argument reinforces the case for income-contingent borrowing or other plans that would make repayment requirements sensitive to the borrower's financial condition after leaving school. These points also support arguments that credit should be targeted to those students whose earnings potential will be the highest and the most stable after graduation (e.g., doctors, lawyers, engineers, etc.), or that credit should be reserved for graduate or professional study and that undergraduate borrowing should be kept to a minimum.

Overall concern regarding debt burden and its implications raises issues about the type of credit that should be used to finance postsecondary pursuits. Non-subsidized loans--which carry higher interest rates and charge the borrower for interest accrued during his or her time in school--may not be the most desirable type of credit. Although eliminating federal loan subsidies would cut public costs, the effect could go well beyond the intention. In "Study of Procedures to Eliminate the Guaranteed Student Loan In-School Interest Subsidy", the National Commission concluded that non-subsidized loans would "stretch a borrower's financial resources to and likely beyond, its extreme," upon entering repayment.[10] The report also notes that the administrative complications caused by eliminating subsidies would probably drive many private lenders from the GSL program, thus shrinking the amount of capital available for student and family borrowing.

A Word of Caution

The ability of expanded educational loan programs to solve the financing problems of students and families is suspect. While credit programs provide a relatively inexpensive mechanism for making financial assistance available, the

complications that can result from excessive borrowing loom ominously over any contemplated steps to widen loan availability. By relying on subsidized loan programs, the federal government has helped to minimize the potential adverse effects felt by borrowers and to target assistance on those who can demonstrate need. Government experiments with less subsidized loan options, such as the PLUS program, have shown that there is not nearly as much demand for these programs as for fully subsidized loans, such as GSLs.

In reviewing, developing, and deciding on the role and scope of federal credit programs, caution must be exercised to ensure that the potential side effects do not outweigh the short-term benefits. In lending, the intended beneficiaries of credit expansion may turn out to be the victims of overzealous borrowing or overly optimistic visions of their own future. In short, educational credit may be most appropriate in its current guise, as a key component of an overall program of student grants, work, and loans, not as the only means for parents and students to gain access to postsecondary opportunities.

Summary

Postsecondary costs have risen dramatically in recent years. This has put increasing pressure on families to meet the costs of college attendance and has promoted the design of several programs that would supplement or provide alternatives to the federal aid programs. Many of these proposals have involved expanding student and parent loan opportunities.

Currently, the federal government's programs make available over eight billion dollars in loan capital annually. Most of these loans are not made directly by the federal government, but rather, are issued by private lenders who receive incentives for lending at below-market interest rates. The Guaranteed Student Loan program is the largest of the federal educational credit programs.

Several proposals have been submitted to Congress that would center all student financial assistance in credit programs. These programs would require students to repay all of the money received at a rate compatible with their earnings once they leave school. Others would serve as supplements to existing financial aid programs in order to serve middle-income families that do not normally qualify for federal grant aid.

Concern has been raised in several quarters that students are already assuming too much debt and that the loan obligations they carry may be having a harmful effect on the overall economic health of college graduates and the nation in general. Loan programs have gained favor, however, because they can be organized and administered in several different forms

and because they require the student to pay back the funds used — this stretches the amount of federal dollars invested in the programs (i.e., provides leverage).

While educational credit is used by many families to meet the high cost of postsecondary education, it can have certain worrisome side effects. Borrowing, in and of itself, is not an answer to the problem of financing college costs; rather, it is an integral part of a balanced program of grants, work, and loans. Before embarking on an ambitious program to expand educational credit, Congress should carefully examine the implications of such a program for students and the national economy.

END NOTES

[1]Touche Ross & Co., Study of the Cost and Flows of Capital in the Guaranteed Student Loan Program (Washington, D.C.: National Commission on Student Financial Assistance, 1983), 2.

[2]National Commission on Student Financial Assistance, Access and Choice: Equitable Financing of Postsecondary Education. (Washington, D.C.: NCSFA, 1983), 58.

[3]The College Board, Trends in Student Aid: 1963-1983 (Washington, D.C.: The College Board, December 1983), 20.

[4]Ibid., 5.

[5]Jerry Davis, Increases in Pennsylvania Graduate and Professional School Students Guaranteed Loan Indebtedness, 1976-77 to 1982-83 (Harrisburg: Pennsylvania Higher Education Assistance Agency, 1983).

[6]The American Council on Education has coordinated a survey on student aid recipients at public and independent colleges and universities in the 1983-84 academic year. Associations participating in this survey were the National Institute of Independent Colleges and Universities, the American Association of State Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, and the American Association of Community and Junior Colleges.

[7]American Council on Education, Who Gets Student Aid: Comparing Data from Public, Independent, and Proprietary Institutions and Who Gets Student Aid: A 1983-84 Snapshot (Preliminary Report) (Washington, D.C.: American Council on Education, 1983 & 1984).

[8]Virginia Hodgkinson and Julianne Still Thrift, Recent Trends in Financial Aid to Students Attending Independent Colleges and Universities, (Washington, D.C.: National Institute of Independent Colleges and Universities, 1982).

[9]American Council on Education, Who Gets Student Aid: A 1983-84 Snapshot.

10 National Commission on Student Financial Assistance, Study of Procedures to Eliminate the Guaranteed Student Loan In-School Interest Subsidy (Washington, D.C.: NCSFA, 1983) 44.